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Attorney for the Trustee of
the Volkswagen Diesel Emissions Environmental Mitigation
Trust for Indian Tribe Beneficiaries

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

**IN RE: VOLKSWAGEN “CLEAN
DIESEL” MARKETING, SALES
PRACTICES, AND PRODUCTS
LIABILITY LITIGATION**

Relates to:

*[United States v. Volkswagen AG, et al., No.
16-cv-295 (N.D. Cal.)]*

Case No. MDL 2672 CRB (JSC)

**NOTICE OF FILING OF FINANCIAL
REPORTS FOR THE VOLKSWAGEN
DIESEL EMISSIONS
ENVIRONMENTAL MITIGATION
TRUST FOR INDIAN TRIBE
BENEFICIARIES**

Judge: Hon. Charles R. Breyer

PLEASE TAKE NOTICE THAT Wilmington Trust N.A. as Trustee (the “Trustee”) of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), and by and through its counsel Reed Smith, respectfully file the attached Notice of Financial Reports for the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 thereof.

Dated: August 15, 2023

Respectfully submitted,

/s/ Michele D. Ross
Michele D. Ross, partner
Reed Smith LLP

CERTIFICATE OF SERVICE

I hereby certify that, on August 15, 2023, I caused to be served true copies of the required financial reports under the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 thereof by electronic means by filing such documents through the Court's Electronic Case Filing System.

/s/ Michele D. Ross

Michele D. Ross

*Attorney for the Trustee of the Volkswagen
Diesel Emissions Environmental Mitigation
Trust for Indian Tribe Beneficiaries*

Notice of Filing of Financial Reports for the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries in accordance with subparagraph 3.3.1 of the Indian Tribe Trust

In accordance with subparagraph 3.3.1 of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), Wilmington Trust, N.A. as Trustee of the Indian Tribe Trust hereby files the following financial reports set forth below.

In accordance with subparagraph 3.3.1.5 of the Indian Tribe Trust the Trustee is required to prepare third-party audited financial reports disclosing and certifying the disposition of all Trust Assets from the Trust Effective Date through the calendar quarter immediately preceding the Financial Reporting Date, specifically including reconciliations of the Trustee’s prior budget projections for Trust Administration Costs to actual performance.

In accordance with subparagraph 3.1.2.6 and 3.3.1.8 of the Indian Tribe Trust, the Trustee has also posted these financial reports on the website for the Indian Tribe Trust (www.vwenvironmentalmitigationtrust.com/tribe-trust) under the heading “Semi-Annual Reporting Package.”

For period ending June 30, 2023 (attached hereto as Exhibit A)

Reviewed Financial Statements

- Indian Tribe Trust – Audited Financial Statements – 6.30.2023

Semi-Annual Reports

- Indian Tribe Trust Semi Annual Report - period ending 6.30.2023

By: Wilmington Trust, N.A. as Trustee of the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Exhibit A

Financial Reports for the Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

For period ending June 30, 2023

Reviewed Financial Statements

- Indian Tribe Trust – Audited Financial Statements – 6.30.2023

Semi-Annual Reports

- Indian Tribe Trust Semi Annual Report - period ending 6.30.2023

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE
BENEFICIARIES**

**Financial Statements
For the interim period ending June 30, 2023**

VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES

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Independent Auditor's Review Report

To the Trustee
Volkswagen Diesel Emissions Environmental
Mitigation Trust for Indian Tribe Beneficiaries

Report on the Financial Statements

Results of Reviews of Interim Financial Information

We have reviewed the accompanying financial statements of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the "Trust"), which comprise the statement of net assets as of June 30, 2023 and the related statements of changes in net assets and cash flows for the six-month periods ended June 30, 2023 and 2022, and the related notes (collectively referred to as the "interim financial information").

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and, accordingly, we do not express such an opinion. We are required to be independent of the Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Statement of Net Assets as of December 31, 2022

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of net assets as of December 31, 2022 and the related statements of changes in net assets and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2023. In our opinion, the accompanying statement of net assets of the Trust as of December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

August 11, 2023

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Net Assets
(Dollars in thousands)

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 3)	\$ 6,851	\$ 6,797
Other Current Assets	54	49
Total Current Assets	<u>6,905</u>	<u>6,846</u>
Fixed Assets - net	3	4
Prepaid Expenses	100	115
TOTAL ASSETS	<u>7,008</u>	<u>6,965</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Other Current Liabilities	120	50
TOTAL LIABILITIES	<u>120</u>	<u>50</u>
NET ASSETS	<u>\$ 6,888</u>	<u>\$ 6,915</u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Changes in Net Assets
(Dollars in thousands)

	Six Months Ended June 30, 2023 (Unaudited)	Six Months Ended June 30, 2022 (Unaudited)
Net Assets, Beginning of period	\$ 6,915	\$ 7,967
Increase (Decrease) in Net Assets		
Distributions to Beneficiaries	-	(827)
Investment Income	129	9
Trust Expenses (Note 7)	(156)	(314)
Net Decrease in Net Assets	<u>(27)</u>	<u>(1,132)</u>
Net Assets, End of period	<u><u>\$ 6,888</u></u>	<u><u>\$ 6,835</u></u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Statement of Cash Flows
(Dollars in thousands)

	Six Months Ended June 30, 2023 (Unaudited)	Six Months Ended June 30, 2022 (Unaudited)
Cash Flows from (used in) Operating Activities		
Changes in Net Assets	\$ (27)	\$ (1,132)
Adjustments to Reconcile Change in Net Assets to Net Cash used in Operating Activities		
Depreciation and Amortization	1	-
Change in Fair Value of Trading Securities	-	(5)
Changes in Operating Assets and Liabilities:		
Other Current Assets	(5)	-
Prepaid Expenses	15	16
Beneficiaries' Distributions Payable	-	(2,439)
Accounts Payable and Other Current Liabilities	70	164
Net Cash Flows from (used in) Operating Activities	<u>54</u>	<u>(3,396)</u>
Cash flows from (used in) investing activities		
Purchase of Trading Securities	-	(7,293)
Proceeds from Sales and Maturities of Trading Securities	-	10,671
Net Cash Flows from Investing Activities	<u>-</u>	<u>3,378</u>
Net Change in Cash	<u>54</u>	<u>(18)</u>
Cash and Cash Equivalents, Beginning of period	6,797	4,999
Cash and Cash Equivalents, End of period	<u><u>\$ 6,851</u></u>	<u><u>\$ 4,981</u></u>

See Accompanying Notes to Financial Statements

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)**

Note 1 – Description of Trust

Establishment of Trust

Volkswagen Diesel Emissions Environmental Mitigation Trust for State Beneficiaries, Puerto Rico, and the District of Columbia (the “State Trust”) and Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the “Indian Tribe Trust”), collectively the “Trusts”, have been established by order of the United States District Court for the Northern District of California in accordance with a Partial Consent Decree on October 25, 2016 (“First Partial Consent Decree” or “2.0 Liter”) in re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation, MDL No. 2672 CRB (JSC) (Dkt. No. 2103-1), among Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., and Volkswagen Group of America Chattanooga Operations, LLC (collectively, the “Settling Defendants”), the United States, and the State of California. In that case, the Court also entered a Second Partial Consent Decree (Dkt. No. 3228-1) on May 17, 2017 (the “Second Partial Consent Decree” or “3.0 Liter”), among the Settling Defendants, Dr. Ing. h.c. F. Porsche AG, and Porsche Cars North America, Inc. (collectively, the “Defendants”), the United States, and the State of California.

The Defendants and Wilmington Trust, N.A. (the “Trustee”) have entered into an Environmental Mitigation Trust Agreement for State Beneficiaries (hereinafter, the “State Trust Agreement”) —i.e., for the 50 States, Puerto Rico, and the District of Columbia—and established the environmental mitigation trust described therein (the “State Mitigation Trust” or “State Trust”). They have concurrently entered into a separate Environmental Mitigation Trust Agreement for Indian Tribe Beneficiaries (hereinafter, the “Indian Tribe Trust Agreement”)—i.e., for federally-recognized Indian Tribes—and established the environmental mitigation trust described in that agreement (“Indian Tribe Mitigation Trust” or “Indian Tribe Trust”).

The State Mitigation Trust and the Indian Tribe Mitigation Trust were both approved by Court Order on September 19, 2017 (the “Approval Order”) and final fully-executed versions were filed with the Court on October 2, 2017, establishing October 2, 2017 as the Effective Date for each Trust pursuant to the terms of the Approval Order (the “Effective Date”).

The Consent Decrees required the Defendants to establish the Indian Tribe Trust to fund environmental mitigation projects that reduce emissions of nitrogen oxides (NOx) where the subject vehicles were, are, or will be operated (“Eligible Mitigation Actions”), and to pay for Trust Administration Costs as set forth in the Indian Tribe Trust Agreement.

The purpose of the Indian Tribe Trust is to expeditiously and efficiently fund Eligible Mitigation Actions to be proposed and administered by the Indian Tribe Beneficiaries (the “Beneficiaries”) subject to the requirements of the Consent Decrees and the terms of the Indian Tribe Trust Agreement and to provide funds for the administration and operations in accordance with the terms of the Indian Tribe Trust Agreement, as set forth therein. The goal of each Eligible Mitigation Action shall be to achieve reductions of NOx emissions in the United States.

Funding of Trust

The Indian Tribe Trust and the State Trust were funded with Mitigation Trust Payments (the “Settlement Funding”) according to the terms of the Consent Decree: (1) 97.99% of the Mitigation Trust Payments from the First Partial Consent Decree (2.0 Liter) was allocated to the State Mitigation Trust and 2.01% to the Indian Tribe Mitigation Trust; and (2) 97.70% of the Mitigation Trust Payments from the Second Partial Consent Decree (3.0 Liter) was allocated to the State Trust and 2.30% to the Indian Tribe Trust.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)**

(Note 1 – Continued)

The Consent Decrees required total funding for the Indian Tribe Trust by the Settling Defendants of \$59.3 million with \$54.4 million allocated to the beneficiaries of the Indian Tribe Trust and \$4.9 million allocated to the Tribe Trust Administration Costs. All Mitigation Trust Payments required by the Consent Decrees were received by the Indian Tribe Trust during 2018 and 2017.

Note 2 – Summary of Significant Accounting and Reporting Policies

Basis of Presentation

The financial statements and accompanying notes have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

The accompanying financial statements present the Tribes Trust's changes in net assets for the six months ended June 30, 2023 and 2022. In the opinion of management, the financial statements of the Tribe Trust as of June 30, 2023 and for the six months ended June 30, 2023 and 2022 contain all adjustments and accruals, consisting of normal, recurring adjustments, which are necessary for a fair presentation of the financial position and changes in net assets and cash flows for the interim periods presented. The interim financial results are not necessarily indicative of results for a full year. The Trust's normal fiscal period is a calendar year ended December 31

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in bank accounts or money market funds.

At June 30, 2023 and December 31, 2022, the Trust had cash balances held in bank accounts in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Trust maintained approximately \$583 of cash balances in excess of FDIC limits at June 30, 2023 and December 31, 2022. Balances held in money market funds are not subject to FDIC insurance.

Property and Equipment

Property and equipment including website development costs are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over estimated service lives of three to ten years.

Other Assets

Other assets consist principally of accrued investment income and prepaid expenses.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities represent amounts due to professionals, other service providers and vendors for services rendered through the end of the period.

Beneficiaries' Distribution Payable

Beneficiaries' Distributions Payable represents amounts due to beneficiaries where a Beneficiary Eligible Mitigation Action Certification (Appendix D-4) has been approved by the Trustee at period end but has yet to be paid.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES****Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)****(Note 2 – Continued)*****Income Taxes***

The Indian Tribe Trust is intended to be a qualified settlement fund (“QSF”) pursuant to section 468B of the Internal Revenue Code, 26 U.S.C. (the “Code”) 468B, and related Treasury Regulations. The Indian Tribe Trust Agreement required the Trustee to pursue a private letter ruling from the Internal Revenue Service (the “PLR”) confirming that the Indian Tribe Trust will be treated as a QSF pursuant to code section. The Indian Tribe Trust received a PLR in February 2019 confirming it is a QSF pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder and it may exclude from its gross income, under Treasury Regulation section 1.468-2(b)(1), the assets transferred to it from the Settling Defendants after its establishment as a QSF pursuant to the Consent Decrees. In general, a QSF computes taxable income in the same manner as a corporation but pays federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Code Section 61, less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. See Note 5 for additional information on federal income taxes.

The Indian Tribe Trust generates gross income in the form of interest and maturities of treasury bills which is reduced by administrative expenses and accumulated net operating losses to compute modified gross income. As the Indian Tribe Trust is a taxable entity for federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The Indian Tribe Trust is not subject to state income taxes under current law. Accordingly, no current state income tax liabilities and assets are recorded.

The Indian Tribe Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position, review of available evidence and consultation with Trust professionals.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes.

Subsequent Events

The Indian Trust evaluated events and transactions occurring between June 30, 2023 and August 11, 2023, which is the date that the financial statements were available to be issued, for disclosure and recognition purposes.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)

Note 3 – Cash and Cash Equivalents

As of June 30, 2023 and December 31, 2022, cash and cash equivalents are comprised of the following:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash	\$ 833	\$ 833
Money Market Funds	6,018	5,964
Total	<u>\$ 6,851</u>	<u>\$ 6,797</u>

Note 4 – Fair Value Measurement

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The Indian Tribe Trust's Cash Equivalents and Trading Securities are presented as provided by this hierarchy.

Level 1—In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the Indian Tribe Trust has the ability to access.

Level 2—Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3—Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability. The Indian Tribe Trust had no assets or liabilities that are measured with Level 3 inputs at June 30, 2023 and December 31, 2022.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Indian Tribe Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Indian Tribe Trust also holds other financial instruments not measured at fair value on a recurring basis, including funding receivable, accounts payable and other assets. The fair value of these assets and liabilities approximates the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table presents information about the Indian Tribe Trust's assets measured at fair value on a recurring basis at June 30, 2023 and December 31, 2022 and the valuation techniques used by the Indian Trust to determine those fair values.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)

(Note 4 – Continued)

	June 30, 2023 (Unaudited)			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash Equivalents:				
Money Market Funds	\$ 6,018	\$ -	\$ -	\$ 6,018
Total	<u>\$ 6,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,018</u>

	December 31, 2022 (Audited)			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash Equivalents:				
Money Market Funds	\$ 5,964	\$ -	\$ -	\$ 5,964
Total	<u>\$ 5,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,964</u>

The following are descriptions of the valuation methodologies used for assets measured at fair value.

- Due to their short-term liquid nature, the fair value of cash equivalents approximates carrying value.

The Indian Tribe Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no such transfers during the six months ended June 30, 2023 and June 30, 2022.

Note 5 – Income Taxes

The Indian Tribe Trust received a PLR (see Note 2 – Income Taxes) in February 2019 confirming it is a QSF pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder and it may exclude from its gross income, under Treasury Regulation section 1.468-2(b)(1), the assets transferred to it from the Settling Defendants after its establishment as a QSF pursuant to the Consent Decrees.

The Indian Tribe Trust calculates taxable income in the same manner as a C corporation at a rate of 37.0% using trust income tax rates on its modified gross income, pursuant to Code Section 468B and the Treasury Regulations promulgated thereunder. Modified gross income includes gross income pursuant to Code Section 61, less administrative expenses, certain losses from the sale, exchange, or worthlessness of property, and net operating losses.

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

Notes to Financial Statements
June 30, 2023 and December 31, 2022
(Dollars in thousands)

(Note 5 – Continued)

The Tribe Trust has incurred net operating losses since its inception, including for 2023 and 2022. Due to uncertainty as to the realization of the net operating loss carryforwards as a result of the Tribe Trust's limited operating history and operating losses since inception, a full valuation allowance has been recorded against the Tribe Trust's net operating loss carryforwards deferred tax asset. Accordingly, the Tribe Trust has not recognized an income tax benefit during the six months ended June 30, 2023 and 2022.

Note 6 – Related Party Transactions

Pursuant to the First Partial Consent Decree, the Court appointed Wilmington Trust, N.A. as Trustee of the Environmental Mitigation Trust to administer the Indian Tribe Mitigation Trust. Wilmington Trust N.A. is acting in two separate and distinct roles: 1) as the Trustee of the Indian Tribe Mitigation Trust; and 2) as the Investment Manager of the Trust Assets. The fees and commissions charged by Wilmington Trust N.A. are consistent with the standard fees and commissions charged by Wilmington Trust N.A. to unrelated third parties in negotiated transactions.

The following tables are the fees and commissions charged by Wilmington Trust N.A. during the six months ended June 30, 2023 and 2022.

	Six Months Ended June 30, 2023 (Unaudited)	Six Months Ended June 30, 2022 (Unaudited)
Expenses		
Trust Advanced Flat Fee	7	7
Trust Investment Management Fee	1	1
Total Expenses	<u>\$ 8</u>	<u>\$ 8</u>

Note 7 – Trust Expenses

Trust expenses for the six months ended June 30, 2023 and June 30, 2022 are comprised of the following:

	Six Months Ended June 30, 2023 (Unaudited)	Six Months Ended June 30, 2022 (Unaudited)
Trust Administration Costs	\$ 154	\$ 166
Trust Investment Management Fees	1	1
Technical Advisory Fees	1	147
	<u>\$ 156</u>	<u>\$ 314</u>

Independent Auditor's Review Report on Supplementary Information

To the Trustee
Volkswagen Diesel Emissions Environmental
Mitigation Trust for Indian Tribe Beneficiaries

We have reviewed the statement of net assets of Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries (the "Trust") as of June 30, 2023 and the related statements of changes in net assets and cash flows for the six-month periods ended June 30, 2023 and 2022. Our reviews were made primarily for the purpose of obtaining a basis for reporting whether we are aware of any material modifications that should be made to the interim financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America through performing limited procedures. The supplementary trust administration actual costs versus budget schedule is presented for the purpose of additional analysis and is not a required part of the interim financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. This supplementary information has been subjected to the limited procedures applied in the reviews of the interim financial statements, and we did not become aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

August 11, 2023

**VOLKSWAGEN DIESEL EMISSIONS ENVIRONMENTAL
MITIGATION TRUST FOR INDIAN TRIBE BENEFICIARIES**

**Supplemental Schedule
Trust Administration Costs Actual vs. Budget
(Dollars in thousands)**

Six Months ended June 30, 2023 (Unaudited)

(in thousands)	Actual Accrual Basis	Accrual to Cash Adjustments	Actual Cash Basis	Budget	Variance
Trust Administrator Costs	\$ 8	\$ -	\$ 8	\$ 11	\$ (3)
Trust Counsel	103	(82)	21	153	(132)
Trust Accountants	10	(2)	8	18	(10)
Tax Return Preparation	5	5	10	8	3
Trust Audit	(4)	22	18	25	(7)
Tax Counsel	15	(12)	3	5	(2)
Intralinks	2	(1)	1	1	-
Insurance	15	(15)	-	-	-
Contingency Expenses	-	-	-	13	(13)
Administration Cost Total	<u>\$ 154</u>	<u>\$ (85)</u>	<u>\$ 69</u>	<u>\$ 233</u>	<u>\$ (164)</u>

Six Months ended June 30, 2022 (Unaudited)

(in thousands)	Actual Accrual Basis	Accrual to Cash Adjustments	Actual Cash Basis	Budget	Variance
Trust Administrator Costs	\$ 9	\$ -	\$ 9	\$ 11	\$ (2)
Trust Counsel	85	(24)	61	125	(64)
Trust Accountants	16	12	28	18	11
Tax Return Preparation	-	-	-	8	(8)
Trust Audit	32	(8)	24	24	0
Tax Counsel	8	5	13	5	8
Consultants	-	-	-	12	(12)
Intralinks	1	-	1	1	-
Insurance	15	(15)	-	-	-
Contingency Expenses	-	-	-	13	(13)
Administration Cost Total	<u>\$ 166</u>	<u>\$ (30)</u>	<u>\$ 136</u>	<u>\$ 215</u>	<u>\$ (79)</u>

* State taxes refund

Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries
Semi Annual Reporting Table of Contents
For the Reporting Period Ending June 30, 2023

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Subparagraph 3.3.1.2.iii

No activity in the reporting period

Subparagraph 3.3.1.4

Semi-Annual Reporting Package includes a 3-year projected annual budget for the Tribal Administration Cost Subaccount, as well as balance statements for all subaccounts as of December 31, 2022.

The Volkswagen Diesel Emissions Environmental Mitigation Trust for Indian Tribe Beneficiaries

Trustee Descriptive Report for Period January 1, 2023 to June 30, 2023

As required under subparagraphs 3.3.1.6 and 3.3.1.7

Establishment, Purpose, Funding, and Modification of the Indian Tribe Trust

As a result of the landmark settlement in the United States District Court, Northern District of California (the “Court”), Volkswagen AG (“VW”) required VW to establish the **Environmental Mitigation Trust for Indian Tribe Beneficiaries** (the “Indian Tribe Trust”) and to make deposits¹ in the amounts of \$2.7 billion and \$225 million to be used to fund environmental mitigation action (EMA) projects that reduce emissions of nitrogen oxides (“NOx”) and to pay for Trust Administration Costs all in accordance with the terms of the Indian Tribe Trust. On March 15, 2017, the Court appointed Wilmington Trust, N.A. (“WTNA”) as the Trustee for the Indian Tribe Trust (the “Trustee”) and on October 2, 2017, the Indian Tribe Trust was established.

By the end of 2017, the Trustee had received approximately \$41.4 million was deposited into the Trust. The Trustee received from the Settling Defendants a deposit of approximately \$18 million at the end of 2018, which represented the Indian Tribe Trust’s portion of the final \$900 million required under the 2.0L Partial Consent Decree, meaning that the Indian Tribe Trust was considered fully funded.

The Indian Tribe Trust was previously modified in accordance with Paragraph 6.5 on two occasions:

1. Effective November 30, 2018, there were material modifications to the trust’s allocation formula in a manner that is consistent with the trust’s purpose “to timely and efficiently fund Eligible Mitigation Actions to be proposed and administered by the Beneficiaries” (subparagraph 2.0.3), while ensuring an equitable distribution of funds to participating Beneficiaries.
2. Effective June 18, 2020², there were a discreet number of modifications, including: a modification of Permitted Investments under Paragraph 3.2.1 to allow the investment of Trust Assets in the BlackRock Fed Fund (CUSIP 09248U809), other similar mutual funds, and U.S. Treasury bills, bonds, notes, and other government securities issued by agencies of the federal government; and an additional paragraph that allows electronic signatures and electronic retention of certain documents required under or related to the Indian Tribe Trust, as identified by the Trustee.

¹ Appendix D-1B allocates 2.03% of the deposited funds to the Indian Tribe Trust and 97.97% of the deposited funds to State Trust.

² A copy of the Indian Tribe Trust as modified on May 19, 2020 (and effective June 18, 2020) is posted on the Trust’s website at <https://www.vwenvironmentalmitigationtrust.com/tribe-trust-agreement>.

**The Volkswagen Diesel Emissions Environmental Mitigation Trust
for Indian Tribe Beneficiaries**

In the reporting period, WTNA completed a number of actions permitted and required under the Trust Agreement and Consent Decrees, which included consultation with the United States and payment of Trust bills. A brief description of each of these actions is included below.

**3.3.1.7 Actions taken in reporting period in accordance with Trust
Agreement and Consent Decrees**

Trustee Consultation with United States


In the reporting period, the Trustee continued discussions with the United States to determine the best course of action with remaining funds.

Payment of Trust Bills

In the period, the Indian Tribe Trust paid \$8,997.81, in Trust Administration Costs. The Indian Tribe Trust also paid approximately \$60,748.23 in costs to third-party professionals.

**3.3.1.6 Previously unreported action taken by Trust that
materially adversely affects Trust**

Nothing to report.

By: 
Name: Hailey E. Field
Title: Vice President
Wilmington Trust, N.A., as Trustee

Date: August 14, 2023

Trust Asset Statements and Investments Listing

June 30, 2023

(Dollars in thousands)

Portfolio(s)	Amount
Tribal Allocation Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	2,114
Marketable Securities at Costs	-
Accrued Interest Income	8
Tribal Allocation Subaccount Total	\$ 2,123
Tribal Tech Advisor Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	1,348
Marketable Securities at Costs	-
Accrued Interest Income	5
Tribal Tech Advisor Subaccount Total	\$ 1,354
Tribal Administration Cost Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	2,524
Marketable Securities at Costs	-
Accrued Interest Income	10
Tribal Administration Cost Subaccount Total	\$ 2,534
Tribal Tax Subaccount	
Cash	\$ 833
Tribal Tax Subaccount Total	\$ 833
Tribal Advisory Council Subaccount	
Cash	\$ -
BlackRock Liquidity Fund	32
Marketable Securities at Costs	-
Accrued Interest Income	-
Tribal Advisory Council Subaccount Total	\$ 32
Indian Tribe Trust Total	
Cash	\$ 833
BlackRock Liquidity Fund	6,018
Marketable Securities at Costs	-
Accrued Interest Income	23
Indian Tribe Trust Total	\$ 6,874

Subparagraphs:

3.3.1.1.i

3.3.1.1.ii

Tribe Trust Payments and Administration Costs Line Item

October 2, 2017 through June 30, 2023

(Dollars in thousands)

Subaccount	Cumulative Paid
Tribal Allocation	
Trust Administrator Costs	\$ 70
Tribal Allocation Total	\$ 70
Tribal Tech Advisor	
Trust Administrator Costs	\$ 4
Tribal Tech Advisor Costs	1,473
Tribal Allocation Total	\$ 1,477
Tribal Administration Cost	
Trust Administrator Costs	\$ 130
Trust Counsel	1,134
Insurance	306
Audit	231
Accounting	171
Tax Return	119
Consultant	197
Website Support	11
Tax Counsel	220
Intralink	8
Contingency Expenses	28
Tribal Administration Cost Total	\$ 2,556
Tribal Tax	
Estimated State Taxes Paid	\$ 35
Tribal Tax Total	\$ 35
Indian Tribe Trust Total	\$ 4,138

Subparagraphs:

3.3.1.1.iii

3.3.1.3.i

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Payments to Recipients
June 30, 2023
(Dollars in thousands)

Receipient	2023	2022	2021	2020	2019	Cumulative
Akiachak Native Community	\$ -	\$ 142	\$ -	\$ -	\$ -	\$ 142
Beaver Village	-	-	-	-	68	68
Bishop Paiute Tribe	-	-	-	-	77	77
Blue Lake Rancheria	-	127	-	146	275	548
Campo Band of Diegueno Mission Indians of the Campo Indian Reservation, California	-	133	-	-	-	133
Central Council Tlingit & Haida Indian Tribes of Alaska	-	-	-	-	158	158
Chefornak Traditional Council	-	-	-	-	170	170
Cherokee Nation	-	-	3,566	2,097	2,600	8,263
Cheyenne River Sioux Tribe	-	293	-	339	567	1,199
Chickaloon Native Village	-	-	189	218	228	635
Citizen Potawatomi Nation, Oklahoma	-	-	480	557	555	1,592
Colorado River Indian Tribes of the Colorado River Indian Reservation, Arizona and California	-	-	201	231	-	432
Confederated Salish and Kootenai Tribes of the Flathead Reservation	-	-	349	400	-	749
Confederated Tribes and Bands of the Yakama Nation	-	337	-	390	645	1,372
Confederated Tribes of the Colville Reservation	-	-	-	298	304	602
Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians	-	-	22	26	101	149
Confederated Tribes of the Warm Springs Reservation of Oregon	-	-	225	253	-	478
Coquille Indian Tribe	-	-	-	-	118	118
Craig Tribal Association	-	138	-	159	-	297
Elk Valley Rancheria	-	-	-	-	28	28
Fallon Paiute-Shoshone Tribe	-	-	-	164	-	164
Forest County Potawatomi Community, Wisconsin	-	-	140	161	173	474
Fort Independence Indian Community	-	128	-	-	117	245
Fort McDowell Yavapai Nation, Arizona	-	-	150	-	-	150
Galena Village (Louden)	-	-	-	155	167	322
Gila River Indian Community of the Gila River Indian Reservation, Arizona	-	-	422	489	794	1,705
Gulkana Village Council	-	-	-	161	-	161
Holy Cross Village	-	-	131	-	-	131
Hoopa Valley Tribe, California	-	-	196	226	390	812
Hopi Tribe of Arizona	-	-	308	-	-	308
Huslia Village	-	-	133	-	-	133
Igiugig Village	-	-	127	-	-	127
Koyukuk Village Council	-	-	-	-	149	149
La Jolla Band of Luiseno Indians, California	-	-	137	-	-	137
Lower Brule Sioux Tribe of the Lower Brule Reservation, South Dakota	-	-	163	188	334	685
Manley Hot Springs Village	-	-	-	146	-	146
Mashantucket Pequot Indian Tribe	-	-	132	152	284	568
Metlakatla Indian Community, Annette Island Reserve	-	160	-	-	-	160
Minnesota Chippewa Tribe: Bois Forte Band	-	-	172	299	-	471
Minnesota Chippewa Tribe: Fond du Lac Band	-	-	172	298	960	1,430
Minnesota Chippewa Tribe: Mille Lacs Band	-	-	172	-	-	172
Mohegan Tribe of Indians of Connecticut	-	-	-	-	275	275
Muscogee (Creek) Nation	-	-	-	1,693	2,079	3,772
Native Village of Brevig Mission	-	-	-	-	169	169
Native Village of Deering	-	129	-	-	-	129
Native Village of Diomedé	-	-	-	148	-	148
Native Village of Elim	-	-	-	154	-	154
Native Village of Kobuk	-	-	-	149	-	149
Native Village of Koyuk	-	-	-	-	167	167
Native Village of Minto	-	-	131	-	-	131
Native Village of Port Heiden	-	-	-	-	160	160
Native Village of Savoonga	-	-	-	164	177	341
Native Village of Stevens	-	-	-	-	76	76
Native Village of White Mountain	-	-	-	-	162	162
Nez Perce Tribe	-	-	197	227	237	661
Nulato Village	-	-	133	-	-	133
Oglala Sioux Tribe	-	571	-	662	1,056	2,289
Oneida Nation	-	-	249	-	-	249
Paiute-Shoshone Tribe of the Fallon Reservation and Colony, Nevada	-	-	142	-	-	142
Pala Band of Mission Indians	-	145	-	167	-	312
Prairie Band Potawatomi Nation	-	-	148	-	-	148
Pueblo of Cochiti, New Mexico	-	-	320	-	-	320
Pueblo of Isleta, New Mexico	-	-	210	242	420	872
Pueblo of Laguna, New Mexico	-	-	209	-	-	209
Pueblo of Sandia, New Mexico	-	-	144	-	-	144
Pyramid Lake Paiute Tribe	-	113	-	184	-	297
Quinault Indian Nation	-	-	-	179	-	179
Red Cliff Band of Lake Superior Chippewa Indians of Wisconsin	-	-	152	175	187	514
Red Lake Band of Chippewa Indians, Minnesota	-	-	279	322	329	930
Rincon Band of Luiseno Mission Indians of the Rincon Reservation, California	-	-	140	161	-	301
Saint George Island	-	-	129	-	-	129
Saint Paul Island	-	-	137	-	-	137
Saint Regis Mohawk Tribe	-	-	208	241	249	698
Salt River Pima-Maricopa Indian Community of the Salt River Reservation, Arizona	-	-	250	288	489	1,027
San Pasqual Band of Diegueno Mission Indians of California	-	-	143	-	-	143
Sault Ste. Marie Tribe of Chippewa Indians, Michigan	-	-	159	179	194	532
Shageluk Native Village	-	-	128	-	-	128
Shoshone-Bannock Tribes	-	226	-	260	448	934
Sisseton-Wahpeton Oyate of the Lake Traverse Reservation, South Dakota	-	242	-	-	-	242
Swinomish Indian Tribal Community	-	-	145	167	179	491
The Chickasaw Nation	-	-	788	-	748	1,536
The Quapaw Tribe of Indians	-	-	161	185	334	680
Three Affiliated Tribes (MHA)	-	-	-	291	494	785
Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota	-	251	-	-	-	251
Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California	-	130	-	-	-	130
Upper Sioux Community	-	-	-	149	162	311
Ute Mountain Ute Tribe	-	-	-	384	-	384
Venetie Village	-	-	-	-	151	151
Village of Iliamna	-	-	-	147	-	147
White Mountain Apache Tribe of the Fort Apache Reservation, Arizona	-	-	469	543	876	1,888
Yocha Dehe Wintun Nation, California	-	-	127	146	159	432
Yurok Tribe of the Yurok Reservation, California	-	-	145	136	179	460
	\$ -	\$ 3,265	\$ 13,030	\$ 15,296	\$ 19,418	\$ 51,009

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries
Trust Asset Allocation and Allocation Adjustment

June 30, 2023
(Dollars in thousands)

	Funding			Tax Transfer from Tribal Allocation and Administration Costs Subaccounts to Tribe Tax
	October 31, 2017	November 30, 2017	November 30, 2018	
Tribal Allocation	\$ 20,333	\$ 15,723	\$ 15,723	\$ (759)
Tribal Tech Advisor	1,070	828	828	(25)
Tribal Administration Cost	1,874	1,509	1,509	(47)
Tribal Advisory Council	30	-	-	-
	\$ 23,307	\$ 18,060	\$ 18,060	\$ (831)
Tribal Tax Subaccount	-	-	-	831
Total	\$ 23,307	\$ 18,060	\$ 18,060	\$ -

Volkswagen Diesel Emissions Environmental Trust for Indian Tribe Beneficiaries

Administration Costs Three Year Projected Budget

(Dollars in thousands)

	2023	2024	2025	Total 3-year projected budget
Governance Costs				
Trust Administrator (Wilmington Trust) *	\$23	\$23	\$23	\$69
Subtotal for Governance Costs	\$23	\$23	\$23	\$69
Trust Professionals				
Trust Counsel	\$306	\$150	\$50	\$506
Trust Accountants	35	35	35	105
Tax Return Preparation	15	15	15	45
Trust Auditors	50	51	50	151
Insurance ***	-	55	-	55
Consultants	-	-	-	-
Website support **	0	0	0	1
Intralinks **	2	2	-	4
Tax Counsel	10	10	10	\$30
Subtotal for Trust Professionals	\$418	\$318	\$160	\$897
Other Expenses				
Contingency	\$25	\$25	\$0	\$50
Subtotal for Other Expenses	\$25	\$25	\$0	\$50
Total Reporting Costs	\$466	\$366	\$183	\$1,016

* includes quarterly Trustee Administration Fees, annual QSF Administration Fee, and estimated Trustee out-of-pocket expenses

** represents 2% of shared cost with State Trust (see subparagraph 2.1.3.2 of Indian Tribe Trust)